

COPU-62



COMMITTEE ON PUBLIC UNDERTAKINGS
SIXTY SECOND REPORT

FIFTEENTH ASSEMBLY

REPORT ON THE AUDIT PARAS CONTAINED IN THE AUDIT REPORT
OF THE COMPTROLLER AND AUDITOR GENERAL OF
INDIA (COMMERCIAL) FOR THE YEAR 1989-1990
AND 1993-94 RELATING TO
ASSAM FISHERIES DEVELOPMENT CORPORATION LIMITED

Presented to the House on 14th March, 2022

ASSAM LEGISLATIVE ASSEMBLY SECRETARIAT
DISPUR :: GUWAHATI-6

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INTRODUCTION

I, the Chairman, Committee on Public Undertakings, Assam Legislative Assembly having been so authorised by the Committee on its behalf present this 62nd Report which was approved by the Committee on the audit paragraphs contained in the Report of the Comptroller and Auditor General of India for the year ended 31 March 1990 and 31 March 1994 (Commercial) relating to Assam Fisheries Development Corporation Limited.

(2) The Committee had taken up the work of examining the relevant paragraphs contained in the report of the Comptroller and Auditor General of India for the year ended 31 March 1990 and 31 March 1994 (Commercial), related to the Assam Fisheries Development Corporation Limited under the Department of Fisheries, Government of Assam and had a threadbare discussion with the officers of the Department as well as Assam Fisheries Development Corporation Limited on 30.06.2021 and 07.02.2022.

(3) The report was considered and adopted by the Committee in its meeting held on 07.03.2022.

(4) The Committee placed on record its thanks to the officers of Assam Fisheries Development Corporation Limited for furnishing the records/relevant materials and giving information as well as for extending fullest co-operation to the Committee.

(5) The Committee also extends its high appreciation to the Principal Accountant General (Audit), Assam and the concerned officials for their sincere co-operation extended to the Committee during its examination.

(6) The Committee also placed on record its appreciation to officers and staff of the Committee for their unstinted co-operation extended to the Committee in conducting of examination as also in the compilation in presentation of this Report.

Dispur

The 7th March, 2022

**(Ramendra Narayan Kalita, M.L.A.),
Chairman,
Committee on Public Undertakings**

COMPOSITION OF THE COMMITTEE**CHAIRMAN:** Shri Ramendra Narayan Kalita, MLA

- MEMBERS:**
1. Smti. Suman Haripriya, MLA
 2. Shri Terash Gowala, MLA
 3. Shri Krishnendu Paul, MLA
 4. Shri Ganesh Kumar Limbu, MLA
 5. Shri Suren Phukan, MLA
 6. Shri Prodip Hazarika, MLA
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 8. Shri Charan Boro, MLA
 9. Shri Siddeque Ahmed, MLA
 10. Md. Nurul Huda, MLA
 11. Smti. Nandita Das, MLA
 12. Shri Rafiqul Islam, MLA

SECRETARIAT:

1. Shri Hemen Das, Principal Secretary
2. Shri Indrajit Mozumder, Joint Secretary
3. Shri Thanesar Deka, Deputy Secretary
4. Shri Ranjit Kr. Sarmah, Under Secretary

CHAPTER-I**REPORT AND RECOMMENDATIONS**

During the course of deposition before the Committee in its meeting held on 30.06.2021 and 07.02.2022 in the presence of Principal Accountant General (Audit), Commissioner Secretary to the Government of Assam, Department of Fisheries, Managing Director, Assam Fisheries Development Corporation Limited (AFDCL) and other Departmental representatives have submitted the replies to the queries against the Audit paragraphs mentioned as follows.

1. Reference paragraph 3.1.4.1 of the Audit Report (Commercial) for the year ended 31 March 1990

AVOIDABLE EXTRA EXPENDITURE

During the years 1985-86 and 1986-87 the Assam Fisheries Development Corporation Limited purchased fingerlings of different varieties (catla, silver carp and grass carp) against limited quotations for raising fish at Semaguri, Mari Lolleng, Putakollang and Sibasthan Patakollang under Nagaon district. Against notice inviting quotations (October 1985) only two farms viz., Fish Farm Secure Syndicate, Rangia and Nilbagan Fish Seed Farm, Nagaon had quoted rates ranging from Rs. 1200 to Rs. 1800 and Rs. 115 to Rs. 435 respectively per thousand fingerlings for five varieties. Three farms viz., K.K. Ojha, Rangia, Fish Farm Secure Syndicate, Rangia and Sarmah Associates (dealer in furniture, electrical goods etc.), Guwahati had quoted rates varying from Rs. 200 to Rs. 400, Rs. 200 to Rs. 750 and Rs. 1120 to Rs. 1280 per thousand respectively for five varieties against notice inviting quotations (July 1986).

Audit observed (October-November 1989) that AFDCL placed supply orders (November 1985) for Rs. 0.42 lakh to the highest tenderer for three varieties of fingerlings (26,600 Nos) over the lowest worked out rate of Rs. 0.09 lakh and for Rs. 0.70 to the highest tenderer (July 1986) at the quoted rate of the second lowest tenderer for three varieties of fingerlings (1,04,000 Nos). The value worked out to Rs. 0.35 lakh at the lowest quoted rate.

The reasons for rejection of the lowest tender in the first case was that the farm was not a registered one though notice inviting quotations did not stipulate such condition. Incidentally, the rejected farm was favoured with a supply order (December 1986) for Rs. 0.75 lakh for supply of same varieties of fingerlings against a different quotation. The reasons for rejection of the lowest rate and non-placement of orders with the second lowest tenderer in

the second case were neither available on records nor stated by the Management.

Thus, non-acceptance of the lowest rate and preferential treatment to particular farms had resulted in an avoidable extra expenditure of Rs. 0.67 lakh during the above years.

MANAGEMENT REPLY

(i) M/s Nilbagan Fish Seed Farm was rejected on the ground that the Farm was not registered at the time of submission of tender. However, M/s Nilbagan Fish Seeds Farm was allowed to participate in future tenders as the same was subsequently registered (Regd. No.1986-87). As M/s Nilbagan Fish Seed Farm was rejected, fish seed supply order was given to other only valid tenderer at its quoted price.

(ii) Sri Kandrapa Kr. Ojah was not selected as the tenderer was individual and the corporation had no Knowledge about his capacity for fish seed production and supply.

(iii) Payment of the bill under reference was delayed due to no availability of fund at that time. As soon as the fund was available, the bill was paid.

OBSERVATION AND RECOMMENDATION

The Committee satisfied with the written reply as well as oral deposition made by the departmental representatives and decided to drop the para.

2. Reference paragraph 4.1.1.1 of the Audit Report (Commercial) for the year ended 31 March 1994

UNAUTHORISED EXTRA EXPENDITURE ON WEED CLEARANCE

In terms of summary of conclusions and Recommendations' regarding 'Main Project Objectives and Implementations' relating to Beel Development prepared by the Joint World Food Programme (WFP) and food and Agricultural Organisation (FAO) Technical Mission on their field visit to Assam during the period from 6th to 17th February 1985, norms of labour requirement, inter-alia for works of weed clearance was fixed as 320 mandays per hectare area.

On a test check of records (November 1993) of AFDCL it was noticed in audit that in respect of Sivasthan Potakollong and fulbari beels located in Nagaon and Cachar districts, respectively, there was excess utilisation of mandays against the norms fixed during the two years ending March 1993 resulting

in extra expenditure of Rs. 5.75 lakhs towards wages in cash and kind. It was also seen that utilisation of extra mandays did not have approval of the authorities of WFP.

MANAGEMENT REPLY

Initially 16 beels were proposed for development and were apprised by World Food Programme and FAO technical appraisal Mission fixing at an average 320 mandays/ha. However, subsequently 7 beels were replaced due to some constraints. Sibasthan Potakolong and Fulbaribeel were the replacement of Gaurisagar and Deeporbeels respectively. These two beel were thickly infested with water hyacinth and as such estimates were prepared accordingly and submitted to WFP for approval through Govt of Assam, and Govt. of India. Requirement of mandays varies according to the thickness of water hyacinth. The development works in Sibasthan Potakollong and Fulbari were executed after obtaining the approval of WFP.

OBSERVATION AND RECOMMENDATION

The Committee satisfied with the written reply as well as oral deposition made by the departmental representatives and decided to drop the para.

3. Reference paragraph 4.1.1.2 of the Audit Report (Commercial) for the year ended 31 March 1994

LOSS OF RICE

AFDCL entrusted with the work of development of various fisheries under the World Food Programme (WFP) has been paying wages to labourers engaged on various works partly in cash and partly in kind viz. rice, pulse etc. In this connection rice was being released through the Food Corporation of India (FCI) as per instructions of the WFP the Headquarters at New Delhi, in favour of the Project Director (in charge WFP). AFDCL used to take delivery through his authorised representative from the FCI godown at Guwahati and keep it at Assam State Warehousing Corporation (ASWC) godown where from rice was delivered to the field units as per requirement.

In May 1991, 155 MT of super fine rice valued at Rs. 5.81 lakhs @ Rs. 375 per quintal) was released by the Senior Regional Manager, FCI in favour of the Project Director. Two officials of AFDCL viz. Deputy Project Director and the Food Supervisor were entrusted with the task of taking delivery of the rice from the FCI godown and transport the same to the ASWC godown at Guwahati for which an advance of Rs. 0.10 was sanctioned and paid towards cost of transportation. The private transporter was engaged, for

carrying the rice from the FCI godown to ASWC godown. In addition an amount of Rs. 0.50 lakh was paid to F.C.I as handling charges.

But, ultimately the rice lifted from the FCI godown did not reach the ASWC godown and AFDCL lost Rs. 6.41 lakhs towards the value of 155 MT of superfine rice (5.81 lakhs) together with incidental expenditure (Rs. 0.60 lakh) thereon.

AFDCL reverted the Deputy Project Director to his parent department without taking any action and suspended the Field Supervisor but reinstated him later on after departmental enquiry. However, legal action was not taken against the officials/private transporter involved to make good the loss.

MANAGEMENT REPLY

WFP released 465 MT of rice for the project of which 155 MT of rice were for Guwahati, the Project Director authorized Shri Biman Bhuyan, Food Supervisor to lift the rice from the FCI. However, Dy. Project Director of his own authorized a person who lift the rice. The person authorized by Project Director Lifted 104.55 MT rice but never deposited in our authorised ASWC godown. For the act of authorising a person of his own, the Dy. Project Director was suspended and subsequently removed from the services of the Corpn. A case has also been filed in the Chandmari Police Station (Case No.168/91) under Section 407 of Indian Penal Code. Recovery of the loss amount will only be possible after obtaining the finding of the police case, the Corporation has been pursuing the matter with the Police Department. Constantly for early settlement of the case. The Project Director authorised only Shri Biman Bhuyan, Food Supervisor, to lift the rice FCI godown duly attesting his signature.

OBSERVATION AND RECOMMENDATION

The Committee satisfied with the written reply as well as oral deposition made by the departmental representatives and decided to drop the para.

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